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William J. Adams, Ph.D.
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**DIVISION OF
OIL, GAS AND MINING**

Kennecott
m/035/002

March 6, 2002

Wayne Hedberg, Permit Supervisor
Minerals Reclamation Program
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801

Subject: Request for Formal Release of Sections 7, 17, 18 and 19, T3S, R1W and
Sections 13, 14, 15, 24, 25 and 28, T3S, R2W within DOGM Permit
Number M/035/002

Dear Mr. Hedberg:

Kennecott Utah Copper Corporation (Kennecott) requests the formal release of approximately 10 of the 90 sections within the boundaries of Division of Oil, Gas and Mining (DOGM) permit number M/035/002. The State of Utah Department of Natural Resources, DOGM Program Rule R647-4, Sections 13.11 and 13.12 state that an area will be considered reclaimed when revegetation has achieved 70 % of the pre-mining ground cover for at least three growing seasons, or alternatively, the Division can determine that the work has been completed satisfactorily. The areas covered by this request are: Sections 7, 17, 18 and 19, T3S, R1W; Sections 13, 14, 15, 24, 25 and 28 T3S, R2W. As shown on the attached map, all of these Sections are located east of the Oquirrh Mountain foothills and none of them contain active mining operations.

These sections were included in the original Notice of Intention dated August 9, 1976 because they contained lands that were or that might be impacted by excess mine water disposal operations. As shown on the map, the areas impacted by excess mine water disposal covered about 1200 acres and included the Evaporation Ponds and the Evaporation Pond canals. The excess water disposal facilities were permanently closed in 1987 and remediation and reclamation work was completed in 1995. The remediation and reclamation activities were completed in accordance with the Administrative Order on Consent for the South Jordan Evaporation Ponds (USEPA Docket No. CERCLA-VIII-18), Record of Decision, Kennecott South Zone Site (U. S. Environmental Protection Agency, 2001) and with the Mining and Reclamation Plan approved by the DOGM Board on February 22, 1978.

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During reclamation and remediation of the excess water disposal facilities, some material was removed from the ponds and canals and was placed into the waste rock disposal areas at Keystone Notch or into the Bluewater I Repository. The remaining materials, composed of gypsum and gypsum-bearing soils, were consolidated into a 210-acre mound within the northern footprint of the ponds. The entire area was regraded, and the mound was capped with a minimum of three to five feet of clean topsoil and seeded. The Record of Decision for the South Jordan Evaporation Ponds (USEPA, 2001) states: "These removal actions adequately satisfied remedial objectives and EPA has determined that no further action at the South Jordan Evaporation Ponds is needed or required. No Institutional Controls are needed because the wastes remaining on site contain only low levels of lead and arsenic". Consistent with the original post-mining land uses specified in the 1978 Mining and Reclamation Plan and with the Record of Decision, this land will be used for one or more of the following activities: farming, recreational, residential, commercial or industrial development.

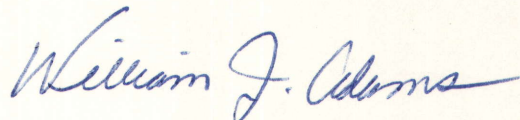
The 10 Sections also contain several mining-impacted sites that are not related to Kennecott operations in 1976 or later. These include the Lark Tailings Remediation, the Copper Creek Soil Removal, the Midas Creek/Silas Soil Removal, the Randolph-Petersen Gate Soil Removal, the Bastian Sink, the Bingham Creek Channel Soil Removal and the Bingham Flats soil removal. These sites are not described in the 1976 Notice of Intent or the 1978 Reclamation Plan, but they have all been remediated, reclaimed or received a no further action status in accordance with one or more of the following documents: 1) Record of Decision, Kennecott South Zone (USEPA, 2001); 2) Administrative Order on Consent, Lark Waste Rock and Tailings Site (USEPA, 1998; Docket No. CERCLA-VIII-98-09); and 3) Unilateral Administrative Order for Removal Action, Bingham Creek Channel (USEPA, 1993; Docket No. CERCLA-VIII-93-10). Kennecott received an Earth Day Award from DOGM for the reclamation of the Lark Tailings Site. Descriptions of these sites, and details on the remediation and reclamation activities performed are contained within the documents referenced above. All reclamation activities on these sites were completed more than four years ago. There are no land use restrictions imposed on any of these sites except for the Bastian Sink area. No residential land use is currently allowed within the Bastian Sink footprint but the land is approved for industrial and farming uses.

As shown on the attached figure, the Sections also contain some monitoring wells, power lines, extraction wells and pipelines (including the deep well pipeline and the North Jordan Pipeline) used for monitoring and remediation of the historic groundwater contamination relating to the Evaporation Ponds and the Bingham Reservoirs. Facilities in the NW ¼ of Section 28 (production well LTG1139 and associated pipes) currently supply water to the mine and concentrator, but will be used in the future as part of the remediation efforts. In the future it may also be necessary to establish additional monitoring, extraction or injection wells and other water management facilities within these Sections. These facilities are being or will be partially or fully used to meet the objectives of the National Resource Damage Consent Decree (United States District Court, Utah, Central Division, Civil No. 86-C-0902G, 1995), the CERCLA-required remediation (Record of Decision, Southwest Jordan Valley Ground Water Plumes,

USEPA, 2000) and to provide municipal quality water for delivery to affected communities. As such they are not related to "mining operations" as that term is defined in UCA 40-8-4(8) and thus should not be included in the DOGM permit. Also, to the extent that these facilities are related to a CERCLA remedy, they are exempt from federal and state permitting requirements pursuant to CERCLA Section 121 (e)(1), which provides that "No Federal, State or local permit shall be required for the portion of any removal or remedial action conducted entirely on-site, where such remedial action is selected and carried out in compliance with this section".

Kennecott would like to arrange a site visit so that DOGM personnel can inspect these areas as part of the release process. Please contact me at 569-7553 or Rich Borden at 569-7141 to schedule an inspection or if you need any additional information.

Sincerely,

A handwritten signature in blue ink that reads "William J. Adams". The signature is fluid and cursive, with the first and last names being more prominent.

William J. Adams; Ph.D.
Director, Environmental Affairs

Attachments